

exceeding, at certain Ontario points, any year since 1892, yet the bank returns show that current loans and discounts are two millions less than in July, 1897, and five millions less than in August, 1896. It may be that the September return will show the improvement; meanwhile it is impossible to doubt that the indications to-day are all in favor of better business. The hopefulness of tone is a valuable feature, and it is generally observable.

The extent to which economy of the people has contributed, during the last few years, to improved commercial conditions should not be overlooked. Canadians have been living frugally, and the result of this thrift is seen in an addition to their savings. In August last year the amount of deposits in the banks was \$188,415,000; in July, 1897, it was \$205,000,000, and last month it had increased to \$210,000,000. The increased extent to which our banks are making advances in the United States as a feature of the return. Business is active over there, and they are using \$27,000,000 of our money, where a year ago they only employed \$15,000,000. Call loans on bonds and stocks have gone up a million. This is hardly a result of the recent "boom" in stocks, the justifiableness or otherwise of which is a matter to be demonstrated later.

31st August, 1896. [In thousands.]

Description.	Banks in Que- bec.	Banks in On- tario.	Banks in the other Prov's.	Total.
Capital paid up	34,819	17,790	9,611	62,220
Circulation	15,586	10,052	5,871	31,509
Deposits	97,272	73,712	29,136	200,120
Loans, Discounts and Investments	116,128	82,510	37,146	235,784
Cash, Foreign Balances (Net), and Call Loans	39,468	24,694	9,612	73,774
Legals	7,714	5,068	2,637	15,419
Specie	3,678	2,988	1,663	8,329
Call Loans	4,462	7,499	1,257	13,218
Investments	6,914	12,524	4,813	24,251

31st August, 1897. [In thousands.]

Description.	Banks in Quebec.	Banks in On- tario.	Banks in other Prov's.	Total.
Capital paid up	35,016	17,297	9,646	61,959
Circulation	16,953	11,249	6,252	34,454
Deposits	108,241	80,702	31,668	220,611
Loans, Discounts and Investments	116,453	83,557	37,533	237,543
Cash, Foreign Balances (Net), and Call Loans	51,329	35,061	13,870	100,260
Legals	8,554	5,527	3,532	17,613
Specie	4,030	2,880	1,814	8,724
Call Loans	5,390	9,554	1,662	16,606
Investments	7,944	17,061	5,117	30,122

Government Savings Banks	\$48,460,000
Montreal City and District Savings Bank	10,252,000
La Caisse d'Economie, Quebec	5,615,000
Loan Companies, 1896	19,000,000

Bank Deposits

Total Deposits of all kinds

GOVERNMENT CIRCULATION.

Small	\$ 7,998,890
Large	16,545,250
	\$24,544,140

Gold held, \$12,948,066, or 52.75 per cent.

MUNICIPAL EXPENDITURES.

Expenditures for municipal purposes have within recent years reached enormous amounts. There has been an almost constant increase in the demand for the services of the municipality in directions where it could replace individual or company service, and to meet this request, new buildings and works have been constructed, or the old have been made more extensive. The industrial operations conducted by the state, form, as a rule, a fair percentage of

the total aggregate in the community. The question has naturally arisen, to whom should be given the advantages incidental to the construction of these different municipal undertakings? There is no doubt as to who must bear the burden of the expenditure in connection with them. Taxation falls entirely upon the citizens within the municipality; and although the increased efficiency of the public institutions may, in part, make amends for the growing burden of taxation, it is not always an easy matter for the taxpayer to trace the connection between the demands made upon him by the state, and the benefits he receives.

It is generally regarded as a part of the functions of town and city councils to build up industry within the municipality. The method most frequently followed is to attract manufacturers from other parts of the country by bonuses, or other substantial inducements. In many instances it appears impossible for aldermen and councillors to take a broader view of the industrial needs of the municipality. It does not apparently occur to them that it is necessary to encourage manufacturers whose factories and works are already situated within the town. When contracts are to be given by the council, home manufacturers are entitled to consideration. We do not wish to be taken as advocating the giving of contracts for municipal purposes in all cases to tenderers because they happen to have works within the limits of a particular city. But where equally good results can be obtained at no addition in costs it is not unreasonable to ask that the preference be given to those who with their employees assist in paying for the required works. The complaint has been frequently made by manufacturers that although under conditions of fair competition, where the person or firm awarding the contract has to pay the expenditure connected with it, home tenders are accepted, yet when the decision rests with a committee or elected body of representatives, the contract has too often been given to foreign manufacturers. Whether frequent occurrences of this kind mean corrupt influences, or illustrate the scriptural saying that a "prophet is not without honor save in his own country," the public must judge. This much may be safely affirmed—all expenditures for public purposes should be made only after a careful consideration of the claims of home manufacturers.

ONTARIO LOAN COMPANIES.

We have received the Ontario Government's abstract report of the statements made to it by financial corporations, nearly one hundred in number, for 1896. These the pamphlet divides into three groups: (1) Mortgage Loan Companies; (2) Loaning Land Companies; (3) Trusts Companies. The first group contains 78 companies, 56 of which have only permanent stock, and 22 withdrawable stock, or being of a terminating building society character; the second contains eight companies, which buy, hold and sell lands, as well as make loans; the third contains three trusts companies, an equal number lately formed having made no return. The Guelph and Ontario company and one in Ottawa make no return, and those of some half dozen others were received too late for publication in the abstract, whose figures relate to the year ended with December, 1896.

An effort has been made in this compilation to secure information of value to the community by requiring definite replies under a number of headings, describing assets, liabilities and miscellaneous figures. We present below total of the principal headings, such as among assets the aggregate of loans on mortgage, of loans on bonds and stocks, of cash on hand and in bank; and among liabilities the